

**MINUTES
TOWN OF BELMONT
MUNICIPAL LIGHT BOARD
IN JOINT WITH THE
LIGHT BOARD ADVISORY COMMITTEE
Remote Meeting via Zoom
Monday, March 21, 2022
5:30pm**

**RECEIVED
TOWN CLERK
BELMONT, MA**

DATE: July 13, 2022
TIME: 2:33 PM

CALL TO ORDER. Chair Mark Paolillo called a meeting of the Municipal Light Board (MLB) to order at 5:30pm.

Present for MLB was Chair Paolillo, Vice Chair Roy Epstein, and Member Adam Dash.

CALL TO ORDER. Chair Travis Franck called a meeting of the Light Board Advisory Committee (LBAC) to order at 5:31pm.

Present for LBAC was Chair Franck, Vice Chair Michael Macrae, Members, David Beavers, and Alexandra van Geel, Steve Klionsky, Robert Forrester. Jonathan Abe was absent.

Present for Belmont Light was General Manager Craig Spinale, Assistant General Manager Sam Osmanovic, Finance & Procurement Manager Maria Makar-Limanov, and Communications Coordinator Aidan Leary.

APPROVAL OF MINUTES

Motion: *Mr. Epstein moved to approve the minutes of the Municipal Light Board February 28, 2022 Regular & Executive Session. Mr. Dash seconded, and the motion passed unanimously by rollcall vote.*

Motion: *Mr. Dash moved to approve the minutes of the Municipal Light Board February 28, 2022 Executive Session section which included the Light Board Advisory Committee.*

There was a discussion of the difference between the two February 28, 2022 Executive Session minutes.

Mr. Epstein seconded, and the motion passed unanimously by rollcall vote.

Motion: *Mr. Macrae moved to approve the minutes of the Light Board Advisory Committee February 28, 2022 Regular & Executive Sessions. Mr. Klionsky seconded, and the motion passed by rollcall vote with Ms. van Geel abstaining.*

2022 BELMONT LIGHT BUDGET DISCUSSION

Ms. Makar-Limanov reviewed the budget packet she had distributed. She explained the changes in purchased power price, and its influence on the budget.

Ms. Makar-Limanov then reviewed the details of the various revenue collections. She pointed out that these are about \$700,000 higher mostly because of the PCA charge. Other power revenues are basically flat.

Regarding expenses, Ms. Makar-Limanov explained that there was a jump of about 15% in purchased power costs because of spot market purchases. Other expenses are mostly level, and most changes are related to the cost of materials. Customer accounts expenses are stable, and any changes mostly relate to the required reserve for uncollectible accounts. General and administrative expenses increased by 5% mostly due to pension and insurance cost increases, and inflation.

Operating Income should be just over \$900,000 and income before contributions should be about \$600,000. She pointed out that the rate of return is negative, which supports a rate review.

Mr. Dash asked if the budget would impact the rates, and Ms. Makar-Limanov explained that the budget is based on the rates.

Mr. Epstein expressed concern that net income is less than the PILOT that Belmont Light pays to the Town. Ms. Makar-Limanov said the PILOT will be \$350,000 this year, although it is usually higher.

Mr. Spinale reminded the Board that MMWEC did a 5-year review of Belmont Light's finances which predicted an increase in power supply costs. He explained that income will continue to diminish unless rates are looked at.

Mr. Epstein asked what Belmont Light's reserves are, and Mr. Spinale said there is the rate stabilization fund which they like to maintain at a 3-month level (about \$4 million). Right now, it has about 2.5 months of reserve. There is no recommendation to use this fund to mitigate the immediate income issues because the problems are structural and long term. They may have to trigger the PCA to address any shortfall. There was a discussion of using the PCA and adjusting the rate design.

Mr. Paolillo asked if the 2022 budget is based on the 2021 utilization levels and wondered if usage will be lower because fewer people will be working from home. Ms. Makar-Limanov explained how the projection is created. There was a discussion of usage and its impact on the budget.

Mr. Paolillo asked if there was any way to mitigate the Purchase Power Cost. Mr. Spinale said Belmont Light is currently hedging 80% of purchases and explained the benefits and issues of this approach. There was a discussion of the hedging strategy.

Mr. Paolillo asked about the increase in General Administration expenses, and Ms. Makar-Limanov explained the costs that impact this item.

Mr. Paolillo asked if there is a commitment for the PILOT for 2023. Mr. Spinale said there is already an agreement. Mr. Paolillo recommended that the new Municipal Light Board review how the PILOT is calculated, which was discussed.

Mr. Macrae talked about what is happening with rates outside of Belmont, saying that Belmont Light has been working hard to keep costs stable and low.

DISCUSSION AND VOTE TO DISSOLVE LBAC

Motion: *Mr. Dash moved to dissolve the Light Board Advisory Committee effective April 5, 2022. Mr. Paolillo seconded, and the motion passed unanimously by rollcall vote.*

VOTE TO APPOINT LIGHT BOARD MEMBER TO AMEND AND APPROVE THE FINAL MEETING MINUTES

Motion: *Mr. Dash moved to appoint Mark Paolillo to approve the final outstanding minutes of the Municipal Light Board meeting of March 21, 2022. Mr. Epstein seconded, and the motion passed unanimously by rollcall vote.*

PUBLIC COMMENT: There was no public comment.

ADJOURNMENT

Motion: *Mr. Klionsky moved the adjourn the meeting of the Light Board Advisory Committee. Mr. Franck seconded, and the motion passed unanimously by rollcall vote. The meeting was adjourned at 6:23pm.*

Motion: *Mr. Epstein moved the adjourn the meeting of the Municipal Light Board. Mr. Dash seconded, and the motion passed unanimously by rollcall vote. The meeting was adjourned at 6:22pm.*

Respectfully submitted by,

Susan Peghiny
Recording Secretary